

**SUBMITTAL TO THE BOARD OF DIRECTORS OF THE  
REDEVELOPMENT AGENCY  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

372



**FROM:** Redevelopment Agency

**SUBMITTAL DATE:**  
July 18, 2005

**SUBJECT:** Mission Palms Senior Housing Project: Third Amendment to Loan Agreement, Promissory Note and Deed of Trust

**RECOMMENDED MOTION:** That the Board of Directors:

Approve the Third Amendment to the Loan Agreement, Promissory Note and Deed of Trust between the Redevelopment Agency and the Mission La Rue Limited Partnership for the Mission Palms Senior Housing Project; and authorize the Chairman of the Board of Directors to execute same.

**BACKGROUND:** The first phase of the Mission Palms project was completed in December 2004. The project is currently owned by Palm Desert Development Company/Mission La Rue Limited Partnership (the "Developer"). Phase 1 of the project contains 108 senior apartment units and is located on Parcel 1. The Developer received a loan from the Redevelopment Agency (the "Agency") in the amount of \$750,000 to construct Phase 1 of the project. In order to meet Fannie Mae financing requirements for the permanent financing of Phase 1, the developer has requested that the cash flow requirements in the

(continued on next page)

Departmental Concurrence

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*for* Robin Zimpfer  
Interim Executive Director

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2005/2006

**COMPANION ITEM ON BOARD OF SUPERVISORS AGENDA:** No

<b>SOURCE OF FUNDS:</b> Redevelopment Housing Set-Aside Funds	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:**

**APPROVE**

FORM APPROVED COUNTY COUNSEL

JUL 18 2005

BY Lee A. J. [Signature]

**County Executive Office Signature**

*Rhonda King*

- Policy
- Policy
- Consent
- Consent
- Dept't Recomm.:
- Per Exec. Ofc.:

**Prev. Agn. Ref.:** #4.3 – 3/1/05 (BOD)     **District:** 2<sup>nd</sup>     **Agenda Number:**

BACKGROUND: (Cont'd)

Loan Agreement, Promissory Note and Deed of Trust be amended. The proposed amendment would limit the percentage of cash flow that the Developer can use to repay the subject loan to 75%. Cash flow is defined as those funds remaining after payment of operating expenses, reserves, debt service on the senior loan and any deferred developer fee, but prior to distributions to owners, partners and investors. The current terms of the loan, which require that all deferred payments plus interest be paid in full on March 31, 2034, remain in place and will not be changed by this amendment.

County Counsel has approved the attached Third Amendment to the Loan Agreement, Promissory Note and Deed of Trust as to form.

FISCAL IMPACT:

This project will have no impact on the County General Fund.